

Senate Bill No. 1911

CHAPTER 887

An act relating to mental health.

[Approved by Governor September 25, 2002. Filed
with Secretary of State September 26, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1911, Ortiz. Children's mental health.

Existing law establishes the State Department of Mental Health and creates various programs for children with mental health issues.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons. Among the benefits provided are mental health services for children.

This bill would require the State Department of Mental Health to develop, in consultation with prescribed entities, and submit to the Legislature by no later than 12 months after the department receives sufficient funds, an analysis, as prescribed, on the savings to the General Fund and to the county mental health system, and the increased federal funding and the improvements that could be realized to county mental health programs, foster care programs, juvenile justice programs, and local educational agency programs for the provision of mental health services, as specified, by applying for a federal medicaid waiver or by adopting a state option to provide home- and community-based services to children with mental health care needs, with respect to whom there has been a determination that, but for the provision of home- and community-based services, these children would require the level of care provided in a hospital due to the severity of their mental health care needs, the cost of which could be reimbursed under the state plan.

The bill would specify that these provisions would only be implemented to the extent funding for this purpose is appropriated in the annual Budget Act or other statute, or the State Department of Mental Health has received private, nonstate donations for this purpose.

This bill would require the State Department of Mental Health to determine whether a home- and community-based services medicaid option or waiver would provide cost benefits to the General Fund and, if so, would authorize, but not require, the State Department of Health Services to submit to the appropriate federal agency a home- and community-based waiver application, or adopt a state home- and

community-based services option, as appropriate, to provide services to the target population.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) According to a 2001 report of the Little Hoover Commission, more than one million children in California will experience an emotional or behavioral disorder each year, and more than 600,000 of those children will not receive adequate treatment.

(b) The commission further stated that with prevention and early intervention, many mental health problems in children could be avoided, reduced, or resolved, while inadequate care leads to the exacerbation of symptoms, resulting in costlier consequences and the necessity of more expensive responses.

(c) The commission's report indicates that while some children can access publicly funded mental health treatment through county mental health programs, foster care programs, schools, or the juvenile justice system, taken as a whole, the children's mental health system lacks coordination and sufficient funding. Also, private insurance coverage of children's mental health treatment is inconsistent.

(d) The commission's report states that all children with identified mental health needs should have access to appropriate publicly or privately funded mental health and other services that support their rehabilitation, adjustment, and educational services.

SEC. 2. (a) The State Department of Mental Health shall develop, in consultation with the State Departments of Health Services, Education, and Social Services, county welfare departments, county mental health departments, and advocates for children with mental health care needs, an analysis of the increased federal funding, savings to the General Fund and the county mental health system, and improvements that could be realized to county mental health, foster care, juvenile justice, and local educational agency programs for the provision of mental health services by applying for a federal medicaid waiver or by adopting a state option to provide home- and community-based services to children with mental health care needs, with respect to whom there has been a determination that, but for provision of home- and community-based services, these children would require the level of care provided in a hospital due to the severity of their mental health care needs, the cost of which could be reimbursed under the state plan. To the extent permitted by federal law, the department may also consider children who would require the level of care provided in a skilled nursing facility or intermediate care facility. The analysis shall be submitted to



the Legislature no later than 12 months after the department receives sufficient funds to develop the analysis. The analysis shall include a description of a demonstration program that includes a maximum of 400 children with severe emotional disturbances and an examination of the cost-effectiveness of including more than 400 children.

(b) The analysis shall do all of the following:

(1) Identify the number and diagnoses of the children that can be served under a federal medicaid waiver or option to serve a target population.

(2) Identify services that can be provided to the population to be served under the federal medicaid waiver or state option.

(3) Specify the eligibility criteria for obtaining services under the federal medicaid waiver or state option.

(4) Discuss, to the extent possible, whether a waiver or state option could improve interagency coordination between foster care, juvenile justice, county mental health, and local educational agency programs by maximizing efficiency in service delivery and eliminating undue delay in the provision of mental health services to children in conformity with existing law, including federal special education laws (20 U.S.C. Sec. 1400 et seq.) and state special education laws (Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code).

(5) Determine whether a home- and community-based services medicaid option or waiver would provide cost benefits to the General Fund. In making this determination, the State Department of Mental Health, in consultation with the entities specified in subdivision (a), shall consider, to the extent relevant data is reasonably available, the nonfederal mental health treatment costs borne by state and local governmental agencies, including, but not limited to, mental health departments, foster care programs, local educational agencies, and juvenile justice programs, that could be reduced by obtaining federal funding for a portion of the treatment costs through the use of a federal medicaid waiver or the adoption of a state option. The State Department of Mental Health, in consultation with the entities specified in subdivision (a), is encouraged to consider the cost savings in these programs that may accrue to the state over time, in addition to those that will accrue in the first fiscal year of implementation. Cost savings for juvenile justice programs to be considered include, but are not limited to, the savings that would accrue by avoidance of juvenile justice placement, by the use of discharge planning, and by the provision of postrelease services that would reduce future institutionalization, risk of out-of-home placement, or incidence of recommitment or reincarceration as a result of juvenile delinquency or criminal proceedings.



(6) State whether a medicaid home- and community-based services option or waiver, will provide cost benefits to the General Fund. If the State Department of Mental Health determines that the option or waiver will not provide cost benefits to the General Fund, the report shall specify the reasons for the determination.

The State Department of Mental Health may contract with a nonprofit entity with a demonstrated history of expertise in analyzing and publishing data on California's public mental health system, to develop the analysis described in this section. The department or contractor may also contract with a consultant for assistance in the development of the fiscal data necessary to complete the analysis, and in the preparation of a draft federal medicaid waiver application for the state. In order to expedite identification of fiscal savings for the state, the department or contractor are encouraged to select a consultant, if needed, who can demonstrate experience in preparing successful federal medicaid waiver applications for home- and community-based services.

(c) If the State Department of Mental Health, in consultation with the State Department of Health Services, the Department of Finance, and the entities identified in subdivision (a), determines, based on the analysis developed pursuant to this section, that a medicaid home- and community-based services option or a federal waiver will provide cost benefits to the General Fund, the State Department of Health Services is authorized, but not required, to submit to the appropriate federal agency a home- and community-based waiver application, or adopt a state home- and community-based services option, as appropriate, to provide services to the target population.

(d) The State Department of Mental Health may accept private nonstate donations to support the activities specified in this section.

(e) This section shall be implemented only to the extent sufficient funds for this purpose are appropriated by the Legislature in the annual Budget Act or other statute, or sufficient funds, as determined by the State Department of Mental Health, for the purposes of this section have been received pursuant to subdivision (d).

